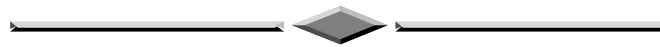
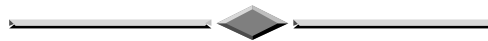


COMMUNITY DEVELOPMENT PLAN APPLICATION PACKET

**2005 Crab Addendum CDP Application
CDQ Program**



Prepared by
State of Alaska



August 16, 2004



August 16, 2004

Dear Interested Party:

The State of Alaska is pleased to announce the 2005 Crab Addendum CDP Application for the current 2003 – 2005 CDP cycle. The application period opens October 1, 2004 and ends on November 1, 2004 at 4:30 PM. This application process is entered into under the authority of federal regulations 50 CFR 679.30 and State regulations 6 AAC 93.

The two new crab species added to the CDQ program are the Eastern AI (EAI) Golden (Brown) king crab and the Adak (Petrel Bank) Red king crab. The following attachment describes the various requirements needed to complete the 2005 Crab CDP Addendum Application. This is a unique allocation process since these crab species are being added to an existing CDP. Generally, for the State and federal review process, this will follow the same steps as a new CDP cycle.

Please note the 2006-2008 Community Development Plan (CDP) application process is under separate cover. The timelines are the same.

If your CDQ group does not have a current CDP on file with NMFS, please contact the State to verify if your community is eligible for a Bering Sea/Aleutian Island CDQ allocation under 50 CFR 679.30.

If you have any questions, please contact:

Greg Cashen, CDQ Program Manager
Department of Community & Economic Development
Division of Banking, Securities, and Corporations
PO Box 110807
Juneau, Alaska 99811-0807
(907) 465-5536 (phone)
(907) 465-2549 (fax)
E-mail: greg_cashen@dced.state.ak.us

ADDENDUM PACKET INSTRUCTIONS

Table of Contents

| | <u>Page</u> |
|---|-------------|
| Introduction: | |
| CDP Addendum Application | 2 |
| Eligible Applicants | 2 |
| General Addendum Application Contents | 2 |
| Allocation Timeline | 2 |
| Evaluation Criteria | 3 |
| CDP Addendum Application | |
| Specific Information | 5 |
| Recommendations | 10 |
| Confidentiality | |
| Requirements | 11 |
| Sample Confidentiality Petition | 12 |
| Attachment 1: Species Listings for 2005 | |
| Attachment 2: 2005 CDP Checklist | |
| Attachment 3: CDP Addendum Application Timeline | |

ADDENDUM PACKET INSTRUCTIONS

Introduction



2005 Crab CDP Addendum Application: CDQ groups may submit an Addendum Application (2005 Addendum) to the 2003 – 2005 CDPs to request CDQ allocations for the two new crab species added to the CDQ program starting in 2005. These crab species are the Eastern Aleutian Island (EAI) Golden (Brown) king crab and the Adak (Petrel Bank) red king crab (Attachment 1). The 2005 Addendum Application is to be submitted to the Governor of Alaska. The Governor, the Commissioners of the Departments of Community and Economic Development, and Fish and Game, and their staff will evaluate the 2005 Addendum Applications and make recommendations of quota allocation. The recommendations will be presented to the North Pacific Fishery Management Council (Council) and then submitted for final approval to the U.S. Secretary of Commerce through the National Marine Fisheries Service (NMFS).

The 2005 Addendum Applications are being accepted under federal regulations 50 CFR 679.30 and State of Alaska CDQ regulations under 6 AAC 93. The addendum applications are required to meet the standards outlined in State and federal regulations.

Eligible Applicants: Communities that are eligible to receive community development quota allocations must meet the eligible requirements set out in the Magnuson-Stevens Fishery Conservation and Management Act and federal regulation. Addendum Applications may be submitted by local fishing organizations or local economic development organizations incorporated for the purpose of designing or implementing a Community Development Plan, from eligible communities or groups of communities.

General Addendum Application Contents: The applicant must submit seven (7) copies of the CDP Addendum Application with clear binder instructions to the State of Alaska, Department of Community and Economic Development. The petition of confidentiality must be included in the CDPs. All copies need to be three-hole punched and must follow these instructions.

Addendum applications must address the level of local employment that will be generated, the vocational and educational programs created for local residents, and the schedule for moving from reliance on CDQs to self-sufficiency. Addendum applications must also include detailed information on the management of the quota and how the applicant intends to use the revenues generated by their allocation. This includes detailed business plans of proposed ventures with copies of proposed contracts, updated budgets which outline expenditures for proposed and active projects for the allocation period, are required.

Allocation Timeline: The final date addendum applications will be accepted is November 1, 2004. Upon receipt of the CDP addendum applications, the State will begin the review process. Following the review, a public hearing will be held to give all interested parties the opportunity to comment on the proposed CDPs. The public hearing is scheduled for November 30, 2004. The complete CDP Addendum Application timeline is found in Attachment 4.

ADDENDUM PACKET INSTRUCTIONS

Introduction

The allocation recommendations for the 2005 Addendum Applications will be based on the species groupings. The final allocation recommendations will be given to the Governor following the public hearing. The State's final allocation recommendations will be forwarded to the U.S. Department of Commerce, through the National Marine Fisheries Service after consultation with North Pacific Fishery Management Council for approval.

Evaluation Criteria: Because the total amount of quotas is limited, the 2005 Addendum Applications are evaluated in competition with each other. Please refer to federal and State regulations under 50 C.F.R. 679.30(a) and 6 AAC 93.040 in addition to the following factors for consideration, which include, but are not limited to:

- the addendum application objectives,
- realistic measurable milestones for determining progress,
- previous ability to manage a Community Development Plan,
- methods for developing a self-sustaining local fisheries economy,
- level of career track employment and training opportunities,
- capital or equity generated for local fisheries investment,
- profit-sharing arrangements,
- diversity in harvesting/processing partners and modes of operations,
- coordinated activities with other CDQ group(s),
- investments with experienced industry partners,
- ability of a CDQ group to maintain control over allocations,
- involvement and diversity in all facets of harvesting and processing operations,
- depth of seafood related infrastructure development,
- stimulation on Alaska's economy in both CDQ and non-CDQ communities,
- conservative and sound management principles in the fishing plan which provide for full retention and utilization of quota, and
- the development of innovative products and processing techniques aimed at conservation and maximum utilization.

It is important to keep in mind that CDQ groups often collectively request a greater amount of quota than available. Should a CDQ group receive less quota than requested, the Community Development Plan Addendum Application will need to be revised to reflect the amount of quota awarded. This final document will be the Community Development Plan, which the appropriate agencies will keep on file for the CDP cycle.



2005 CDP Crab Addendum Application: Experience with Community Development Plans (CDPs) in the past has placed an emphasis on reducing the burdensome paper exchange which occurs when plan changes are submitted. This method of amending an active CDP is unique. Generally, the applicants should treat the paperwork requirements as if submitting a detailed substantial amendment. Again, please provide a detailed set of binder instruction on where these documents are to be included in the 2003 – 2005 CDPs. Because these are two

ADDENDUM PACKET INSTRUCTIONS

Introduction

new crab species added to the CDQ program, the review and approval process is the same as for a new CDP cycle. Applicants are strongly encouraged to follow these instructions and recommendations.

ADDENDUM PACKET INSTRUCTIONS

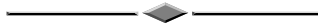
Specific Information

Below is a breakdown of 2005 Addendum Application materials identified as potentially requiring updating to include the two new crab species. Detailed information for clarification is provided in the right column. It is acceptable to change other sections of the CDP if you find this necessary, just clearly identify the sections changed. Provide detailed binder instructions for placement of 2005 Addendum Application material for the existing 2003 – 2005 CDPs.

I. Executive Summary

- A. Name of Applicant.
- B. Table of total CDQ and PSQ allocation request in percent.
- D. Description of the managing organization.
- E. Goals/objectives and milestones of the CDP.
- F. Description of the CDP projects in the proposed addendum application.
- G. Management strategy to accomplish CDP project(s).
- H. Description of the target fisheries.
- I. Harvesting & processing partner information.
- J. Benefits to the region.
- K. Level of local participation.
- L. Other.

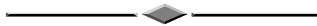
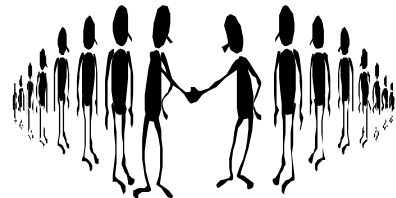
It is the intention of the State of Alaska to release the executive summary for public review; as such, do not include confidential information.



II. INTRODUCTION

II. Community Information

- C. How the CDP would use or enhance existing:
 - 1. Harvesting capabilities;
 - 2. Processing capabilities;
 - 3. Support facilities; and
 - 4. Human resources.

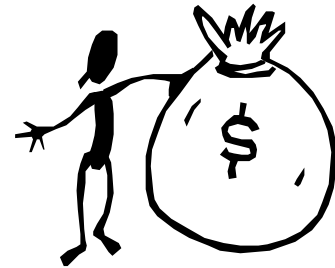


ADDENDUM PACKET INSTRUCTIONS

Specific Information

III. Benefits to the Region

- A. Goals of the Addendum Application.
- B. Economic opportunities provided through employment from CDQ projects.
- C. How the Addendum Application will generate new capital and/or equity for fish or processing opportunities.
- D. Efforts taken to include residents from non-CDQ regions (where appropriate).
- E. Stimulation on Alaska's economy in both CDQ and non-CDQ communities.
- F. Cooperative efforts with other CDQ groups (where appropriate).
- G. Benefits to the Bering Sea/Aleutian Island region.
- H. Other information which may assist in the evaluation of the addendum application.



In this section, the applicant needs to make a strong case for how each target fishery will enhance earnings, employment, and other CDP projects.

IV. CDQ Organization Information

- B. Managing Organization Qualifications:
 1. Description of management structure;
 2. How management is qualified to:
 - a) Carry out CDP projects, and
 - b) Manage the harvest of CDQ allocations while preventing overages;
 3. List of key personnel, including contract personnel;
 4. Legal relationship between CDQ group and managing organization (if different):
 - a) Contract or other binding agreement;
- C. Business Information:
 1. Organization chart of all divisions, subsidiaries, joint ventures, and partnerships, listing (if applicable):
 - a) legal structure, state of registration, and percentage of ownership, and
 - b) legal documents regarding the relationships within the chart;
 4. For each business relationship, including joint ventures, partnerships, loans, corporations, and harvesting/processing arrangements, provide legal/contractual description of:
 - a) The relationship, including:
 - (1) management services, and
 - (2) audit control services;
 - b) All funding and financing plans;
 - c) Distribution of proceeds, including:
 - (1) A summary of all profit sharing and or royalty arrangements; and
 - d) Other contractual agreements including legal, audit, accounting, allocation management, investment research, fund management, and similar services. per 6 AAC 93.025(a)(10).



B.2 of this section will be important to answer thoroughly. Focus on each CDP project for (a) and each target fishery for (b). For B.1, the use of a flow chart is acceptable. Be sure to include all legal documents regarding the relationships in the chart. The documents which are important include those involving formation (Articles of Incorporation, Bylaws, etc.).

ADDENDUM PACKET INSTRUCTIONS

Specific Information

D. Harvest/processing management Information:

1. For each target fishery, provide:
 - a) Harvesting and/or processor information,
 - b) How gear type will conserve and maximize utilization of resource,
 - c) Support for bycatch and PSQ allocation requests:
 - (1) Plan to reduce bycatch and discards,
 - d) Past bycatch and discard data,
 - e) Past and proposed utilization data, products and yield, including:
 - (1) Plans for creating full retention and utilization of quota,
 - f) Past and proposed inshore and offshore deliveries,
 - g) History of fishery violations (if applicable),
 - h) Processing information,
 - i) Marketing information, and
 - j) The RFP (or like process) engaged in when developing harvesting / processing partner relationship.



E. Other CDQ organization information which may assist in the evaluation of the addendum application.

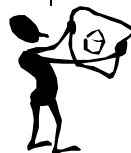
VI. Confidential petition and stamped confidential pages.

Part Two. Community Development Plan Information

I. Community Development Information

A. Community Development Project:

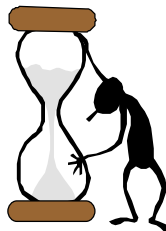
1. Provide a CDQ project form for all:
 - a) Proposed For-Profit projects,
 - c) Proposed Non-Profit projects,
 - e) Proposed Infrastructure projects,



A CDQ Project is defined (50 CFR 679.2) as an investment or program that is funded by a CDQ group's assets for the economic or social development of a community or group of communities that are represented by a CDQ group. These project forms are provided under Attachment 3.

B. Comprehensive Milestone Table for all

1. Proposed projects listed in Part II, Section A; and
2. Active projects listed in Part II, Section A.



These tables are the accumulation of the project forms provided in Part II, Section A. These tables will be included in the quarterly reports to the State.

ADDENDUM PACKET INSTRUCTIONS

Specific Information

II. Budgets

A. General budget for entire CDP period by calendar year, including:

1. Income from all CDQs and CDP projects;
and
2. Expenditures for all projects and
administration.

Please keep this General Budget to one page.

B. Detailed current year annual budgets listing:

1. Income from all CDQs and CDP projects as reflected in the projects listed in Part II, Section A,
2. Expenditures for all projects as reflected in the projects listed in part II, Section A; and
3. Administrative expenses - detailed with administrative expenses by project.

The budget will be submitted annually. Detail is important for the administrative expense budget. Project budgets may have administrative expenses allocated, however, those expenses must be clearly separated from other expenses and be presented in the administrative expense budget.

III. Fish Plan

A. Table of total CDQ allocation request in percent.

The complete table with the crab species is provided on Attachment 1.

D. For each crab target fishery, provide:

1. CDQ organization contact, including:
 - a) name, address, phone and fax numbers;
2. Plan to prevent overages;
3. A description of the target fishery:
 - a) Proposed fishing periods (be specific on start and stop days),
 - b) Gear storage plans,
 - c) Number of pots,
 - d) Tank inspections, and
 - e) Any other pertinent information;

ADDENDUM PACKET INSTRUCTIONS

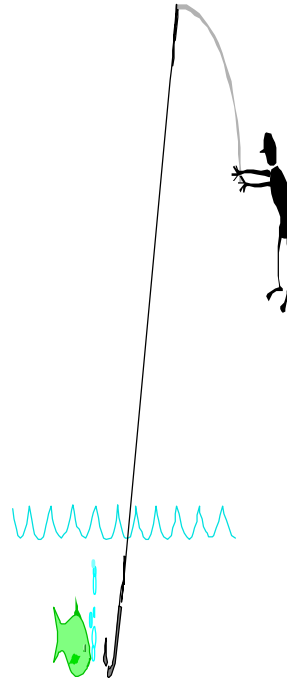
Specific Information

4. Vessel information:
 - a) Harvesting partner, including contact name, address, phone and fax numbers,
 - b) Vessel name,
 - c) Federal permit number,
 - d) ADF&G vessel number,
 - e) Length over all (LOA),
 - f) Vessel type,
 - g) Will vessel also fish in the main License Limitation fishery,
 - h) CFEC card number (when known),
 - i) USCG safety approval,
 - j) MCI or equivalent MARSAT communication capability, and
 - k) Vessel diagram showing:
 - (1) Location of observer accommodations, including sleeping and work areas,
 - (2) Weighing station, and
 - (3) Observer sampling station; and



IV. CDP Checklist

See attachment 2.



ADDENDUM PACKET INSTRUCTIONS

Specific Information

Submission Recommendations

The following is a list of general recommendations, which will eliminate problems down the road.

1. Do not put specific dollar amounts in the Community Development Project section. Rather, cite the detailed budget page or use a range.
2. When developing the addendum application, use the same outline as provided in the Addendum Application Checklist found in Appendix 2. For instance, your annual administrative budget would be under Part Two II.B.3. In addition, the checklist must also cite the location of the administrative budget using the same reference. This will eliminate amendments to the checklist and maintain it as an effective reference tool.

Requirements

It is the responsibility of each CDQ group to ensure a petition of confidentiality is included with any CDP or amendment which contains confidential information, as required by 6 AAC 93.070. Each time an item is sent to the State for consideration, the document should be reviewed for confidentiality status. Failure to comply with the requirements of this section could potentially result in the documents being considered public and made available to the public upon request.

Each page containing confidential information should be clearly stamped or noted as confidential in the upper right hand corner. **Any confidential document: 1) which does not have a confidential petition attached; 2) is not stamped or noted as confidential; or 3) any copies of confidential documents which are stamped as confidential, but the confidential stamp is not legible on the final copy, will be distributed to any agency or individuals upon request.** It is the responsibility of each CDQ group to ensure these requirements for maintaining confidential information are met.

Sample Confidentiality Petition

October 1, 2004

Greg Cashen, CDQ Program Manager
Department of Community and Economic Development
Division of Banking, Securities, and Corporations
PO Box 110807
Juneau, AK 99811-0807

RE: Confidentiality Petition

Dear Mr. Cashen:

(CDQ Group) requests Addendum Application of confidentiality provisions of 6 AAC 93.070 to certain documents, specifically the items marked confidential in its (name and date of document; i.e., the 2004 First Quarter Report dated April 30, 2004). The items listed below should be determined confidential and withheld from public access and each page has been marked confidential:

Section VI. Confidential Issues
Pages _____ of (Group) (First) quarterly report

Justification

There is good cause pursuant to 6 AAC 93.070 for finding these records confidential for the following reason:

(Include justification)

For this reason, (CDQ Group) respectfully requests the specified documents be kept confidential. Thank you for your consideration.

Sincerely,

(Name)
Executive Director/President/CEO

ADDENDUM PACKET INSTRUCTIONS

CDP Addendum Format

**Attachment 1
Species Listings**

Attachment 1

2005 SPECIES LISTINGS

CDQ Crab

| |
|---|
| Eastern AI (EAI) Golden (Brown) king crab |
| Adak (Petrel Bank) red king crab |

ADDENDUM PACKET INSTRUCTIONS

CDP Addendum Format

**Attachment 2
CDP Checklist**

ADDENDUM PACKET INSTRUCTIONS

CDP ADDENDUM Format Checklist

| CDP ADDENDUM FORMAT CHECKLIST | Location |
|---|----------|
| Primarily update the appropriate sections (include red-line version) | |
| I. Executive Summary | |
| A. Name of Applicant. | |
| B. Table of total CDQ allocation request in percent. | |
| D. Description of the managing organization. | |
| E. Goals/objectives and milestones of the addendum. | |
| F. Description of the CDP projects in the proposed addendum. | |
| G. Management strategy to accomplish CDP project(s). | |
| H. Description of the target fisheries. | |
| I. Harvesting & processing partner information. | |
| J. Benefits to the region. | |
| K. Level of local participation. | |
| L. Other. | |
| | |
| INTRODUCTION | |
| | |
| II. Community Information | |
| C. How the CDP would use or enhance existing: | |
| 1. Harvesting capabilities; | |
| 2. Processing capabilities; | |
| 3. Support facilities; and | |
| 4. Human resources. | |
| | |
| III. Benefits to the Region | |
| A. Goals of the addendum. | |
| B. Economic opportunities provided through employment from CDQ project(s). | |
| C. How the addendum will generate new capital and or equity for fish or processing opportunities. | |
| D. Efforts taken to include residents from non-CDQ regions (where appropriate). | |
| E. Stimulation on Alaska's economy in both CDQ and non-CDQ communities. | |
| F. Cooperative efforts with other CDQ groups (where appropriate). | |
| G. Benefits to the Bering Sea/Aleutian Island region. | |
| H. Other information which may assist in the evaluation of the addendum | |
| | |
| IV. CDQ Organization Information | |
| B. Managing Organization Qualifications: | |
| 1. Description of management structure; | |
| 2. How management is qualified to: | |
| a) Carry out CDP project(s), and | |

ADDENDUM PACKET INSTRUCTIONS

CDP ADDENDUM Format Checklist

| | |
|---|--|
| b) Manage the harvest of CDQ allocations while preventing overages; | |
| 3. List of key personnel, including contract personnel; | |
| 4. Legal relationship between CDQ group and managing organization (if different): | |
| a) Contracts or other binding agreements; | |
| C. Business Information: | |
| 1. Organization chart of all divisions, subsidiaries, joint ventures, and partnerships, listing: | |
| a) Legal structure, state of registration, and percentage of ownership, and | |
| b) Legal documents regarding the relationships within the chart; | |
| 4. For each business relationship, including joint ventures, partnerships, loans, corporations, and harvesting/processing arrangement, provide legal/contractual description of: | |
| a) The relationship, including: | |
| (1) Management services, and | |
| (2) Audit control services; | |
| b) All funding and financing plans, including; | |
| c) Distribution of proceeds, including: | |
| (1) A summary of all profit sharing and or royalty arrangements; | |
| d) Other contractual agreements including legal, lobbying, audit, accounting, allocation management, investment research, fund management and similar services per 6 AAC 93.025(a)(10). | |
| D. Harvest/processing management information: | |
| 1. For each target fishery, provide: | |
| a) Harvesting and/or processor information, | |
| b) How gear type will conserve and maximize utilization of resource, | |
| c) Support for bycatch and PSQ allocation requests: | |
| (1) plan to reduce bycatch and discards, | |
| d) Past bycatch and discard data, | |
| e) Past and proposed utilization data, products and yield, including: | |
| (1) Plans for creating full retention and utilization of quota, | |
| f) Past and proposed inshore and offshore deliveries, | |
| g) History of fishery violations (if applicable), | |
| h) Processing information, | |
| i) Marketing information, and | |
| j) The RFP (or like process) engaged in when developing harvesting / processing partner relationship. | |
| E. Other CDQ organization information which may assist in the evaluation of the addendum. | |
| | |
| | |

ADDENDUM PACKET INSTRUCTIONS

CDP ADDENDUM Format Checklist

| | |
|---|--|
| VI. Confidential petition and stamped confidential pages | |
| | |
| <i>Part Two. Community Development Plan Information</i> | |
| | |
| I. Community Development Information | |
| A. Community Development Project | |
| 1. Provide a CDQ project form for all: | |
| a) Proposed For-Profit projects, | |
| c) Proposed Non-Profit projects, | |
| e) Proposed Infrastructure projects, | |
| B. Comprehensive Milestone Table for all: | |
| 1. Proposed projects listed in Part II, Section A; and | |
| 2. Active projects listed in Part II, Section A. | |
| | |
| II. Budgets | |
| A. General budget for entire CDP period by calendar year, including: | |
| 1. Income from all CDQs and CDP projects; and | |
| 2. Expenditures for all projects and administration. | |
| B. Detailed current year annual budgets listing: | |
| 1. Income from all CDQs and CDP projects as reflected in the projects listed in Part II, Section A; | |
| 2. Expenditures from the CDQ group as reflected in the projects listed in Part II, Section A; and | |
| 3. Administrative expenses - detailed with administrative expenses by project. | |
| | |
| III. Fish Plan | |
| A. Table of total crab CDQ allocation request in percent. | |
| D. For each crab target fishery, provide: | |
| 1. CDQ organization contact, including: | |
| a. Name, address, phone and fax numbers; | |
| 2. Plan to prevent overages; | |
| 3. A description of the target fishery: | |
| a. Proposed fishing periods (be specific on start and stop days), | |
| b. Gear storage plans, | |
| c. Number of pots, | |
| d. Tank inspections, and | |
| e. Any other pertinent information; | |
| 4. Vessel information: | |

ADDENDUM PACKET INSTRUCTIONS

CDP ADDENDUM Format Checklist

| | |
|--|--|
| a. Harvesting partner, including contact name, address, phone and fax numbers, | |
| b. Vessel name, | |
| c. Federal permit number, | |
| d. ADF&G vessel number, | |
| e. Length over all (LOA), | |
| f. Vessel type, | |
| g. Will vessel also fish in the main License Limitation fishery, | |
| h. CFEC card number (when known), | |
| i. USCG safety approval, | |
| j. MCI or equivalent MARSAT communication capability, and | |
| k. Vessel diagram showing: | |
| 1. Location of observer accommodations, including sleeping and work areas, | |
| 2. Weighing station, and | |
| 3. Observer sampling station; and | |

ADDENDUM PACKET INSTRUCTIONS

CDP Addendum Format

**Attachment 3
CDP Addendum Timeline**

2005 CDP Addendum

| | |
|----------|---|
| 08/16/04 | <u>Notice of CDQ Application Period</u> sent to Newspapers. |
| 08/16/04 | CDP Application Packets <u>mailed</u> . |
| 10/01/04 | CDP Application Period <u>begins</u> . |
| 10/15/04 | Public Notice to Newspapers <u>announcing Public Hearing (November 30, 2004)</u> . |
| 11/01/04 | <u>CDP Applications Due</u> . |
| 11/30/04 | Public Hearing (Anchorage LIO) - 8:30 a.m. to 11:30 a.m. Private Hearing with <u>Group A</u> - 1:00 p.m. to 4:00 p.m. |
| 12/01/04 | Private Hearing with <u>Group B</u> - 8:30 a.m. to 11:30 a.m. Private Hearing with <u>Group C</u> - 1:00 p.m. to 4:00 p.m. |
| 12/02/04 | Private Hearing with <u>Group D</u> - 8:30 a.m. to 11:30 a.m. Private Hearing with <u>Group E</u> - 1:00 p.m. to 4:00 p.m. |
| 12/03/04 | Private Hearing with <u>Group F</u> - 8:30 a.m. to 11:30 a.m. |
| 12/10/04 | Notice of State's Initial <u>Allocation Recommendations (approximate)</u> . |
| 12/10/04 | Request for Reconsideration Period (30 Days). |
| 01/11/05 | State Response to Request for Reconsideration (30 Days). |
| 04/06/05 | Council Consultation. |
| 04/15/05 | Allocation Recommendations and Findings to NMFS. |

This application booklet has been prepared by:

State of Alaska
Department of Community & Economic Development
Division of Banking, Securities, and Corporations
CDQ Program
PO Box 110807
Juneau, AK 99811-0807
(907) 465-5536 (phone)
(907) 465-2549 (fax)

Please feel free to contact:
Greg Cashen at 907-465-5536
if you need additional information
regarding the application procedure.